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## Surprise income plateau forces CBF budget cuts

By Bob Allen

ATLANTA (ABP) -- An unexpected plateau in income has forced a 10 percent mid-year budget cut for the Cooperative Baptist Fellowship.

Buoyed by rapid growth since the moderate group formed in 1991, leaders last year projected a 20 percent income increase in 1996-97. Through six months of the fiscal year, however, receipts of \$4.7 million were running about 2 percent ahead of last year.

"Where we expected some \$14 million in revenue [this year], we are probably going to get some \$12.5 million in revenue," Ed Vick, finance committee chairman, told the Fellowship's Coordinating Council Jan. 31.

Stunned by the budget shortfall, Coordinating Council ministry groups struggled during a three-day meeting in Atlanta to cut spending for the remaining six months of the current year by 20 percent.

The council also authorized taking up to \$1.5 million from a global-missions reserve fund to cover both the budget shortfall and higher-than-budgeted costs for supporting the Fellowship's 140 missionaries.

The global missions reserve fund, accumulated from unexpended gifts to past years' Global Missions Offering, is about \$9 million, said finance committee member Bill Owen of Ardmore, Okla. The Fellowship also has a general reserve fund of "a little under a million dollars," he said.

The cutbacks will mean layoffs of two support-staff members at the Fellowship's Atlanta offices and a hiring freeze for three other jobs that have been approved but not yet filled, said Fellowship spokesman David Wilkinson. A current vacancy in a professional-level marketing position will also be frozen, he added.

While no missionaries will lose their jobs, the cutbacks will postpone some projects and delay hiring of a badly needed coordinator of volunteer missions, said Keith Parks, missions coordinator.

"The biggest impact" on the Fellowship's global missions program, Parks said, "is going into reserves."

Parks predicted the financial picture will improve during the second half of the year. "I think this is a temporary plateau," he said. "I don't think it's a trend at all." If finances don't improve, however, the Fellowship "will have to delay sending some missionaries ready to go" as early as next year, he predicted.

The budget reduction also hurts "partner" organizations which depend on the Fellowship for part of their funding.

"It will put more pressure on us to work toward major gifts," said Tom Clifton, president of Central Baptist Theological Seminary in Kansas City, Kan., adding that he hopes word of the cuts might encourage prospective donors to fund the school directly.

Robert Parham, executive director of the Baptist Center of Ethics in Nashville, Tenn., said the budget cut "slows our momentum and ensures that churches will have fewer ethics resources and services."

Vick, a businessman from Raleigh, N.C., acknowledged the cutbacks were painful for Fellowship leaders but tried to cast them in the most favorable light.

"It has not been easy," he said. "It's been very difficult, but I'm very pleased, from the finance committee point of view, about what has been accomplished to ensure that we have a very sound financial situation throughout 1996 and 1997."

Fellowship moderator Lavonn Brown said he is optimistic that the cutbacks will be temporary. "What we are doing now is making some temporary revisions," Brown said. Fellowship leaders may come back at the council's next meeting, he added, and "say it is just going marvelously and we will adjust it [the budget] back upward."

The Atlanta-based Fellowship was formed in 1991 by disenfranchised moderates to provide alternative missions, education and other church programs to those of the Southern Baptist Convention, which came under conservative control during the 1980s.

In its early years, the Fellowship, which has not formally split from the SBC, grew rapidly, causing Southern Baptist leaders to view it as a threat to traditional denominational giving channels.

Annual gifts to the Fellowship increased from \$5.7 million in 1991-1992 to \$12.7 million in 1995-1996.

While Fellowship leaders anticipated that growth would peak eventually, most did not expect the plateau to hit before next year. Some speculated that a longer-than-expected leadership transition may have stalled growth.

"We have discussed the fact that the last 12 months we have been in transition," Brown, pastor of First Baptist Church of Norman, Okla., told the council.

The Fellowship's new chief executive, former Houston pastor Daniel Vestal, has been on the job a month. His predecessor, Cecil Sherman, retired in June.

"We need to give him [Vestal] enough time to see what he can do to help us," Brown said.

Other observers suggest the Fellowship faces a critical juncture. Most of the hard-line moderates defeated by conservatives in the Southern Baptist holy war during the 1980s are already in the fold. Those congregations still on the fence, they say, are looking to Vestal and other leaders to articulate a clear direction for the organization's future.

In his first report as the Fellowship's coordinator, Vestal said he is not discouraged by the financial setback. "Though at present we are facing some hard decisions and some tough challenges, I have great, great enthusiasm about the future of the Cooperative Baptist Fellowship ...," he said.

In planning next year's budget, Jim Page, a layman from Daytona Beach, Fla., asked that the council revisit the way it divides funds. "We would like some dialogue from the group as a whole as to the relative priorities of how our funds are spent," he said.

Page sits on the Fellowship's ethics and public policy ministry group, which he said was asked to plan a budget for next year 30 percent below this year's budget. Moderator Brown suggested that Page put his proposal in writing and send it to the finance committee.

In other business, past-moderator Pat Anderson announced that Missouri layman John Tyler will be nominated as the Fellowship's next moderator-elect.

If elected at this summer's general assembly, Tyler, a Bell telephone executive from St. Louis, will lead the Fellowship in 1998-99. Martha Smith of Gastonia, N.C., the current moderator-elect, will succeed Brown as moderator at the close of the June 26-28 general assembly in Louisville, Ky.

Also at the general assembly, Carolyn Dipboye of Oak Ridge, Tenn., will be nominated to the office of recorder/treasurer, succeeding Cindy Johnson of Orange, Va., who rotates off the Coordinating Council.

The council also approved a constitutionally mandated reapportionment of representation on the Coordinating Council.

Council member Bob DeFoor of Harrodsburg, Ky., made a motion that the number of state or regional representatives be based on money used only for work of the Fellowship. The current formula also gives credit for designated funds that pass through the Fellowship to other organizations, such as Baptist state conventions.

Ruling as moderator, Brown delayed a vote on the motion till April, pending a study by staff on possible impact of the change.